

SENATE BILL REPORT

SB 5106

As of February 9, 2009

Title: An act relating to creating an independent four-year polytechnical college and authorizing an investment district to provide financing for the college.

Brief Description: Creating an independent four-year polytechnical college and an investment district to finance it.

Sponsors: Senators Hobbs, Shin and Berkey.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/06/09.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Aldo Melchiori (786-7439)

Background: A number of studies have been undertaken over the past decade to determine the higher education needs of north King, Snohomish, Island, and Skagit Counties. In November 2006 a consultant team final report found that the needs of about 10,800 full-time equivalent students would be unmet by 2025 if students from those counties participated in baccalaureate and graduate degree programs at the 1998 national average for all adults. The consultant report recommended investment in a four-year university with a polytechnical focus.

After receiving this report, the Higher Education Coordinating Board (HECB) issued its assessment of the higher education needs of Snohomish, Island, and Skagit (SIS) counties in December 2006. The HEC Board recommended: (1) that the state's first priority should be to increase core funding and enrollment at the existing public colleges and universities; (2) that future decisions about creation of a new four-year campus should be made when the existing institutions reached their maximum capacity; and (3) that planning for a new four-year campus in the SIS region should continue in order to more fully describe the requirements, costs, and system impacts of creating a new campus.

A proviso in the 2007 Capital Budget Act directed the University of Washington (UW) to operate an additional branch campus in the SIS area, with a particular focus on education of upper-division and graduate students in science, technology, engineering, mathematics

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

(STEM), and other high-demand programs. The proviso directed the Office of Financial Management (OFM) and the UW to assess potential sites for the new campus. OFM retained a consultant to evaluate potential sites for the branch campus. Seventy-three potential site proposals were submitted, and that number was narrowed to the four most viable options. These four potential sites were ranked in the following order: (1) Pacific Station in Everett; (2) Smokey Point in North Marysville; (3) Riverside in Everett; and (4) Cavalero in south Lake Stevens.

In 2008 the Legislature directed the HECB to assist these parties in coming to an agreement on the location of the potential campus and to issue a report to the appropriate legislative fiscal and policy committees by December 1, 2008. A consultant was retained. While there was agreement that the region needed a four-year institution, no consensus was reached on where a campus should be located.

Summary of Bill: A county with a population between 600,000 and 750,000 persons may create a higher education investment district (district). The district is a municipal corporation, an independent taxing authority, and a taxing district. The district is governed by a nine member board. The county may enter interlocal cooperation agreements with contiguous counties for the creation and operation of the district. The district is created by resolution by the county.

No taxes may be imposed without a majority vote of the voters of the district. If the voters approve, the district may impose a sales and use tax not to exceed 0.2 percent. Monies received from the tax must be used solely for providing funds for the costs associated with the financing, design, acquisition, construction, equipping, maintaining, and operations of Snohomish Polytechnical College. The taxing district dissolves when the capital facilities are paid off. The capital assets of the district are then leased or disposed of to the state by means of private negotiation.

Snohomish Polytechnical College is authorized to award bachelor of arts or bachelor of science degrees. Until the state assumes the operation for the college, the board of directors for the investment district acts as the board of trustees for the college. As long as the tax is imposed, 50 percent of the enrollment slots must be offered to students from within the investment district and 5 percent of the newly enrolled students who reside in the investment district must receive two-year scholarships at the college.

The entire act expires on October 1, 2010, if the investment district has not been formed and a site chosen.

Appropriation: None.

Fiscal Note: Requested on January 22, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: There is a lot of frustration in the community over the disagreements regarding the site of a college in the area. The community wants to help the state in these tough budgetary times. If the communities do not come together the act expires, so there is an incentive to reach agreement. The people in the area have a history of fighting things out locally and then coming together for the greater good. The community will be able to unite on a site for the college where the state has failed.

OTHER: There is a documented need for more post-secondary educational opportunities in this area, but given the present budget projections, we should very carefully plan our future and consider the progress we have already made. The state has significantly extended educational opportunities in the area over the last 20 years. In this time of very limited resources, we should be careful not to spread them too thin. The HECB is working on a new unified state planning model, including guiding principles, for the development of higher education opportunities throughout the state. This needs to be completed this year before we make new investment decisions. Our system has a tradition of cooperation, quality, and careful planning that we need to preserve.

Persons Testifying: PRO: Senator Hobbs, prime sponsor; Aaron Reardon, Snohomish County Executive.

OTHER: Ann Daley, Executive Director, HECB; Terry Teale, Executive Director, Council of Presidents; Mike Cooper, Snohomish County Council.